

## **Context for Medicare policy**

**ISSUE:** MedPAC's March Report to the Congress includes an introductory chapter that puts the Commission's recommendations within the broader budget, policy, and health care delivery context in which the Medicare program operates. This chapter is motivated by the Commission's recognition of the long-term financial difficulties of Medicare and the need to improve and sustain the program for current and future beneficiaries and taxpayers.

**KEY POINTS:** The draft chapter reports on projections of Medicare's long-term financial situation and looks at Medicare's potential ability to affect change in sectors of the health care system. The paper also compares levels of health care spending in the United States to those in other industrialized countries and examines some suggested reasons why U.S. spending is higher.

**ACTION:** Commissioners should provide comments on the scope, substance, and tone of this draft chapter for the March 2006 report.

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